

se 1.03-cv-00013
ORIGINAL

FILED
Clerk
District Court

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FEB 10 2006

For The Northern Mariana Islands
By _____
(Deputy Clerk)

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6 | ATTORNEY FOR: Plaintiffs/Cross Defendants Schmidt and Sovereign

**IN THE UNITED STATES DISTRICT COURT
FOR THE
NORTHERN MARIANA ISLANDS**

PATTI C. BALLONE, *et al.* CIVIL CASE NO. 03-00133

Plaintiffs,

CIVIL CASE NO. 03-0013

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4 BERT DOUGLAS MC

5 || B. 6. 1. 4

Defendants,

DAVID H. SCHMIDT, *et al.*

8 Plaintiffs,

vs.

BERT DOUGLAS MONTGOMERY, *et al.*

Defendants,

z1 || VS.

UNITED FOREX INVESTORS, et al.,

Third Party Defendants.

1975

**NOTICE TO ALL INTERESTED
PARTIES OF ACCOUNTING
OF FUNDS HELD IN TRUST BY
SETTLEMENT COUNSEL**

COMES NOW, the undersigned attorney, Timothy H. Bellas, who, pursuant to the

1 terms of the Settlement Agreement that was entered into by all parties and which resolved the
2 entire litigation captioned above, was entrusted to administer an Impound Account (IA). He was
3 tasked with defending or settling any residual claims which might arise from the date of the
4 settlement until December 31, 2005. The undersigned, hereafter Settlement Counsel, (SC) was
5 required to coordinate his actions with Michael Dotts, Esq, who was acting as a representative for
6 both the Calvo Defendants and the JLH Pacific Trust, Defendant.

7 In discharge of his responsibilities SC represents that he has consulted with Mr. Dotts when
8 issues pertaining to the IA arose and further submits this Accounting:

- 9 1. Upon execution of the Settlement Agreement, the Clerk of this Court, in
10 accordance with the settlement reached by the parties in this matter, released
11 \$150,000 to the SC on or about July 23, 2004.
- 12 2. The only UFX claimant who presented a claim which the SC has settled is Thomas
13 Neff, represented by Joey Arriola, Esq.¹
- 14 3. Mr. Neff presented documentation which after some scrutiny, substantiated that he
15 had invested \$100,000 in UFX.²
- 16 4. On the basis of this amount SC negotiated with claimant's counsel and the matter
17 was settled for \$29,000.
- 18 5. In exchange for the execution of a Settlement Agreement by Mr. Neff which is
19 similar to the one executed by all other parties in this matter, SC paid to Mr. Neff's
20 counsel \$29,000 which was received by Mr. Arriola on June 3, 2005.
- 21 6. Total attorney's fees and costs during the almost two year term for SC, including

22 ¹ When Mr. Neff originally contacted the SC, he was not represented by counsel; thereafter, Danilo
23 Aguilar, Esq. called to advise that he was counsel for Mr. Neff. Later, Mr. Arriola called to advise
24 that he was Mr. Neff's new counsel.

25 ² There were also independent UFX corporate financial documents that evidenced Mr. Neff's
26 investment.

1 the fees for settling Mr. Neff's claim and the preparation of this Accounting and the
 2 release of the funds in the IA are — \$3,225.89.³

3 7. Therefore the amount remaining to be distributed to the various parties in
 4 accordance with the Settlement Agreement is:

5 Original Amount received ----- \$150,000.00

6 Amount Paid in Satisfaction of Neff Claim----- (\$29,000.00)

7 Amount for fees and costs of SC ----- (\$3,365.89)

8 Net Remaining Balance (NRB) for Distribution ----- **\$117,634.11**

9 8. In accordance with the terms of the Settlement Agreement, Defendants contributed
 10 \$50,000 of the IA and Plaintiffs contributed \$100,000. Thus, SC counsel shall pay
 11 to the Defendants' counsel Mr. Dotts one third (1/3) of the NRB and two thirds
 12 (2/3s) shall go to the various Plaintiffs in the proportional amounts which they
 13 divided the residual amount of \$2,050,000 provided for under the Settlement
 14 Agreement.

15 9. Therefore:

16 Defendants shall jointly receive a total of ----- **\$39,211.37⁴**

17 Plaintiffs shall jointly receive a total of ----- \$78,422.74

18 10. The amount to Plaintiffs shall be further distributed as follows:

19 Schmidt/Britt Plaintiffs ----- 43.7% ----- \$34,270.74

20 Ballone Plaintiffs ----- 39.7% ----- \$31,133.83

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 22
 23 ³ Billing Statements for legal services rendered and costs incurred have been provided by SC to Mr.
 24 Dotts, on a monthly basis.

25 ⁴ Said amount to be paid to the Trust Account of Mr. Dotts for his proportional distribution among the
 26 two Defendants, in accordance with the Settlement Agreement.

1 Doman Trust Plaintiffs ----- 16.6% ----- \$13,018.17⁵

2 Total of ----- 100% ----- **\$78,422.74**

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6 11. Any counsel of record who feels that any computation or figure specified herein is

7 in error, or objects to the person or persons proposed to receive payment, should

8 notify the SC in writing within Fifteen (15) days from the date that this accounting

9 is filed with the Court and served upon them.

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11 12. If no objection or other communication is made within the period specified in ¶11

12 above, SC shall execute and deliver checks from his trust account to the respective

13 attorneys for each of parties enumerated herein.

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15 13. SC shall be deemed to have completed all of his duties and shall be discharged as

16 of the date all checks are delivered to the respective parties.

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24 Dated this 9 day of February, 2006.


Timothy H. Bellas, Settlement Counsel

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5 Each of the amounts indicated in this ¶ shall be paid to the trust account of each of the attorneys who
represented each of these plaintiff groups.